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that industrial changes, from which the community as a whole profits, displace certain individuals, who suffer vicariously that society may gain. By wise relief measures society merely transfers to the community as a whole these burdens imposed upon individuals by industrial progress. Therefore, "a sound relief policy would seek out from among the families that become dependent as a result of such changes those who suffer most severely, and put them as nearly as possible in a position as eligible as that from which they were displaced."

In the remainder of this discussion Dr. Devine develops the idea that the standard of living affords the guiding principle in relief work, and shows how this principle applies in various phases of charitable work. After touching upon the elimination of disease, and the movement for tenement-house reform as illustrations of preventive and effective relief, he takes up the relief of the poor in their homes as the natural starting point of charitable activity, and considers the different methods of relief suitable to the various types of the family, from the single man or woman to the widow or deserted wife with children. This leads to a consideration of the questions involved in the breaking up of families, and in the care of dependent children and dependent adults. Finally, there is a discussion of four of the more important causes of dependency: family desertion, intemperance, industrial displacement and immigration.

It would seem ungracious to find any fault with such a well-done piece of work. I cannot help feeling, however, after careful reading, that the book shows too much the bias of the author's personal field of labor. Its point of view is too exclusively that of the charity organization society worker. It is but seldom that it takes the point of view of public charities. This neglect of the point of view of public charity is surely a mistake; for even though we grant the author's contention that public outdoor relief should be abolished (the case seems to be pretty well made out for large cities), public charity must always remain, on account of the preponderance of institutional relief belonging to it, more important than private charity. It is to be regretted, therefore, that Dr. Devine did not condense Part IV on "Relief in Disasters," to a single chapter, and give us in his conclusion a comparative survey of the different existing systems of state charity, pointing out, on the one hand, the principle upon which public relief should be based, and on the other, the line which should mark the division of labor between public and private charity.

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The Principles of Economics. By FRANK A. FETTER. Pp. 610. Price, \$2.00. New York: The Century Company, 1904.

Writers of economic text-books have evidently found considerable difficulty in placing before the student the results of recent theoretical analysis while retaining such parts of the older body of thought as have not been generally discarded. Conservatism has usually prevailed to such an extent

that the main outlines of the classical text-books have been preserved, while new material has been inserted wherever it seems least out of place. The book under review represents a radical departure from this method. Instead of the usual grand divisions of the science it is divided into three parts: the Value of Material Things, the Value of Human Services and the Social Aspects of Value. In order to form an opinion on the practicability of such a division of the science, we naturally turn to the topics which have been placed under each head. Manifestly the simple problem of the valuation of consumers' goods, and the laws of rent and interest logically belong in the first part, where we find them. On the other hand, we discover with some surprise that profits, monopoly, trusts and crises are placed under the general head of the value of human services. The Social Aspects of Value as a grand division of economic science, is perplexing. Value itself, we are accustomed to think, is a social phenomenon. Its social aspects are its essence. Our perplexity is not diminished when we examine the topics treated. Division A, entitled "the relation of private income to social welfare," includes private property, personal distribution, the justification of income from property and income from personal services, luxury, the reaction of consumption on production. Division B, on "the relation of the state to industry," includes naturally enough the treatment of free competition *versus* state action, coinage, protective tariff, labor legislation, public ownership and public control of industry; but it includes also such topics as the theory of money, banking, the theory of international trade, the railroad problem, and a discussion of the future trend of values,—a grouping which does not appear to be wholly logical. A careful examination of the general plan of the work makes it sufficiently clear that the titles of the various parts and divisions are not intended to serve as logical categories, but are rather, as it were, the keynotes of the discussion. The protective tariff logically belongs to the division to which it is assigned. The theory of international trade is necessary to explain it and hence is placed in juxtaposition. The part played by government in the constitution of the medium of exchange is of such importance that the whole subject of money may best be treated in connection with the economic functions of government; and for convenience the theory of banking and credit is discussed in the same connection. After all, it is not supremely important that a text-book should follow a rigid logical plan. Not improbably the best immediate results in class-room work can be obtained from a text-book which selects as its point of departure whatever is most easily understood, adding material in order of difficulty, digressing when necessary for clearness or when a related topic may be conveniently treated. In the older text-books the effects of machinery were usually treated in connection with production. In this book it is treated in connection with wages. The older classification may have been more in accordance with logic; but Professor Fetter's plan is more likely to arouse the interest of the student.

Since the author's arrangement of material is so much of an innovation, perhaps the most convenient way of arriving at a just comparison between this work and others designed to meet the same end, is to rearrange in the old order the topics discussed and consider how adequately they are treated.

The discussion of consumption in its static aspects is excellent. Diminishing intensity of wants and its correlative, diminishing utility, are explained with great clearness. The law of substitution, while receiving no extended treatment, is given a good deal of attention incidentally. Luxury is handled much in the customary fashion, but with more than customary skill. The dynamics of consumption deserved perhaps fuller discussion. While the much neglected subject of the reaction of consumption on production receives highly suggestive treatment, the evolution of wants is somewhat slighted, with the result that one of the most important aspects of the monopoly problem is practically ignored.

Of the topics usually placed under Production, the geographic basis of economics receives rather slight attention,—an omission with a purpose, since the author does not wish to emphasize differences between land and other material agents of production. The conditions of the efficiency of labor are treated with unusual clearness. Division of labor and the organization of production wear their familiar aspects. Diminishing returns are shown to be a universal phenomenon. It would be difficult to praise too highly the brilliant discussion of this subject. A commendable innovation is a chapter on repair, depreciation and destruction of wealth. Capital is treated almost exclusively from the point of view of distribution.

In the presentation of the material formerly assigned to Exchange the author discusses money with unusual frankness. He is not one of those who regard the money controversy as definitely closed. The question of a better standard than the monometallic, he declares, is but postponed. He handles international trade with a boldness that is unfortunately becoming rare among American economists. As a keen foreign critic has observed, American economists can scarcely afford to be free traders, since by the advocacy of free trade they run the risk of impairing whatever popular influence they may have. Professor Fetter dares to be a free trader. That does not mean that he would regard as expedient an immediate return to free trade. His position is practically that we should return to free trade as rapidly as a just consideration for vested interests would permit. The discussion of banking and credit leaves a somewhat indefinite impression; and the theory of foreign exchanges is introduced too abruptly and is treated too concisely to be readily understood by the student.

As any one familiar with recent controversial literature would expect, the author's presentation of Distribution is in striking contrast with the usual plan. His theory of functional distribution is the now familiar one of productivity. Whatever a laborer produces is his wage; nor is the reservation made that this is the "natural" or "normal" wage. In the latter part of the work, however, we discover that wages as a personal share in distribution vary from "economic" wages. Unfortunately, there appears to be no systematic study of the causes and extent of this divergence. The rents of material agents are likewise determined by their productivity (the term rent being here applied to the specific contributions of all material agents). Interest is treated as the sum of rents regarded as a percentage of the capital sum arrived at through the familiar process of discount. It would be beyond the

province of a review of this nature to criticize the theoretical validity of the author's position. A legitimate question may, however, be raised as to the advisability, from a pedagogical point of view, of requiring of the student such subtle analysis as is here involved. It will be admitted that the student of marked capacity will profit by the discipline; the one of ordinary talents, in the reviewer's opinion, would be quite bewildered. A second innovation is the placing of profits under the same general category as wages. So far as profits consist of the reward of superior managing ability, the classification is manifestly sound. But what of the profits arising from unexpected changes in technique, and from other causes wholly beyond the control of the entrepreneur? The only similarity between such profits and wages is that neither income is normally capitalized. Monopoly profits are put under the general head of payment for human services. But such profits are normally capitalized; hence why should they not be included in rents, employing the latter term in the author's sense? And, of course, such a distinction would be difficult to accept. Finally, the author is at considerable pains to show that the distinction between land and capital was originally based upon the fact that the renting contract in the case of land was different from the renting contract in the case of perishable goods. Since this merely legal difference tends to disappear, he regards the distinction as obsolete. It may be questioned whether the original distinction has not been supplanted by other distinctions the significance of which has not disappeared. One of the most important practical problems is that of the incidence of taxation, and in treating that problem few would disregard the difference between land and reproducible productive agents.

It may seem ungracious in reviewing a work possessing so many excellent qualities to dwell upon a few inaccuracies and imperfect modes of expression that have escaped the author's revision. On page 13 we find the fear of temporal punishment termed "a non-material want." On page 36 the definition of market seems somewhat lame. On page 64 we have the expression "the point of marginal utility" where "margin of utilization" would have been much clearer. On pages 305-6 monopolies are classified as political, economic and commercial. Why the term "economic monopoly" should be applied exclusively to the single "ownership of scarce natural agents" is not clear. On page 362 the author lays down so narrow a definition of property that he is compelled to disregard it in the third sentence following. On page 293 it is asserted that the profit-sharing plan was first tried in Paris by Leclaire. As a fact, it was tried eleven years earlier by John S. Vandeleur in Ireland. On page 446 the statement of the circumstances which led to the first formulation of Gresham's law is incorrect. The application of that law to the explanation of the difficulties inherent in bimetallism is of much later date.

Few teachers of economics, it appears to the reviewer, will be able to accept this book as completely satisfactory in all its details. This does not, however, imply an adverse criticism of the book as a whole. In the wealth of material treated, in the judicious employment of all methods of economic study, in the sanity and lucidity of discussion, the book has hardly an equal.

Moreover, it is the most readable book on economics that the reviewer has had the good fortune to peruse. Were he to recommend a text-book for a student who could not have the advantages of class-room discussion, Professor Fetter's book would be his first choice.

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The Declaration of Independence, an Interpretation and an Analysis. By HERBERT FRIEDENWALD. Pp. 299. Price, \$2.00. New York: The Macmillan Company, 1904.

The Independence campaign has never been so carefully studied as in this valuable monograph, which is a fitting product of the author's long-continued and scholarly researches. In the chapter entitled "The Popular Uprising," the organization of the revolutionary forces is outlined and some very interesting facts noted. Of the twelve colonies sending delegates to the first Congress, but five acted through their assemblies, and three of these were in complete control of the revolutionists. All the rest had a revolutionary organization outside of the assembly. Committees, conventions and irregular bodies acted for the rebellious factions. When non-importation and non-exportation was resolved upon, the continental organization became necessary, and the Congress became the natural advance from the committee organization. In "The Congress Finding Itself" the author shows how the Congress grew from an impotent body with vague powers to one having practically complete control of the affairs of a people engaged in a war. He unfolds the phenomena of a politically organized body, deriving all its sanction from local political organs, and dependent on their good-will for existence—limited in its authority only by the reason and good sense of its constituents—gradually leading the colonies to new governmental organization and final independence. One constantly wishes that Mr. Friedenwald would say definitely what his story so conclusively proves—that the Revolution was the work of an active and vigorous minority, which first got control of Congress and then reached out until it drew with it the reluctant people. Instead, the author only hints at this in his thesis that the Congress relied on and fostered the democratic elements from which, in a large measure, it derived its power. Congress not only took heed not to get far ahead of the people, but kept a guiding hand upon the course of events. The conservative party tried to keep "the people" from getting control, for among "the multitude were to be found the radicals who before had enjoyed little share in political affairs." The various methods by which Congress coerced the conservatives are clearly shown, but we cannot agree with the interpretation put upon the acts of Congress suppressing the Loyalists, inviting foreign intervention and founding a navy. These were not necessarily "sovereign" acts, if we consider how and in what spirit they were done. However, there is room for a difference of opinion. A phrase quoted by the author—"the supreme superintending power"—better describes Congress than the word "sovereign." "The Idea of Independence takes Root and the Congress Prevails" is a very valuable chapter upon the work of